

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

Israel Corporation Ltd.

Registrar Number: 520028010

**Form 121
Public**

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

Sort name: Israel Corporation

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Date of Transmission: March 30, 2014

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To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: ICL - Complaint - arbitration

See the attached report of ICL below

The date when the event first became known to the corporation: March 27, 2014

Time: 19:51

The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan

Position: Vice President, General Counsel and Company Secretary

Date of signing: March 30, 2014

March 27, 2014

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**Immediate Report regarding an arbitration claim against the Government of
Israel**

Further to Note 23 of the Company's financial statements for 2013 and the Immediate Report published on March 19, 2014 (reference number: 2014-01-017571) regarding the notice of the subsidiary of the Company, Dead Sea Works Ltd. ("DSW"), to the Government of Israeli of the filing of a claim within the framework of an arbitration process in connection with the violation of the Concession agreement, the Company would like to update that the Ministry of Finance advised to DSW today, March 27, 2014, that it has rejected the DSW request to appoint an arbitrator on behalf of the State. The main argument of the Ministry of Finance is that the establishment of the Sheishinski Committee falls within the state's administrative authorities and does not constitute a disagreement or dispute between the parties according to the concession agreement. The State further argues that an arbitration panel is not the place to challenge the establishment of the committee and its work and that the establishment of the Sheishinski Committee does not fall under the relevant cause in respect of which the parties may turn to arbitration.

The Company wishes to clarify that the arbitration claim Concerns a monetary claim under concession agreement that was ackored by law and in accordance with such law, DSW demands compensation for all the damages caused, and that will be caused, as a result of the Breach of agreement by the State.

The Company, with the assistance of its legal counsel, does not accept the position of the Ministry of Finance and is considering further steps.

**Yours sincerely,
Israel Chemicals Ltd.**